

F.I.L.A. – FABBRICA ITALIANA LAPIS ED AFFINI S.P.A.



**EXPLANATORY REPORT OF THE BOARD OF DIRECTORS ON THE ONLY MATTER ON
THE AGENDA OF THE EXTRAORDINARY SHAREHOLDERS' MEETING OF F.I.L.A. -
FABBRICA ITALIANA LAPIS ED AFFINI S.P.A., CALLED FOR DECEMBER 16, 2024 IN
SINGLE CALL.**

(drawn up in accordance with Article 125-*ter* of Legislative Decree No. 58 of February 24, 1998 and Articles 72 paragraph 1-*bis* and 84-*ter* of the Regulation adopted with Consob Motion No. 11971 of May 14, 1999 and in compliance with Annex 3A to the same Consob regulation)

Report approved by the Board of Directors of F.I.L.A. – Fabbrica Italiana Lapis ed Affini S.p.A. at the meeting of November 12, 2024 and available on the website www.filagroup.it.

Explanatory Report on the only matter on the Agenda of the Extraordinary Shareholders' Meeting of F.I.L.A. - Fabbrica Italiana Lapis ed Affini S.p.A., called for December 16, 2024, in single call

"Amendment of Articles 9, 10 and 16 of the By-Laws; resolutions thereon."

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Dear Shareholders,

you have been called for December 16, 2024 to the Extraordinary Shareholders' Meeting of F.I.L.A. - Fabbrica Italiana Lapis ed Affini S.p.A. ("**Fila**" or the "**Company**") to consider the proposed amendments to certain provisions of Fila's By-Laws (the "**By-Laws**") so as to incorporate the regulatory innovations introduced by Law No. 21 of March 5, 2024 (the "**Capital Law**") and Legislative Decree No. 125 of September 6, 2024 (the "**Sustainability Decree**"), by which the EU Directive No. 2022/1464 on corporate sustainability reporting (the Corporate Sustainability Reporting Directive - CSRD) was transposed into Italian law, as further described below.

The purpose of this report (the "**Report**") is to explain the proposed amendments to Articles 9, 10 and 16 of the By-Laws, as well as the reasons why, in the opinion of the Board of Directors, such amendments are necessary, pursuant to Article 125-*ter* of Legislative Decree No. 58 of February 24, 1998 (the "**CFA**") and Articles 72, paragraph 1-*bis*, and 84-*ter* of the Regulation adopted by Consob Resolution No. 11971 of May 14, 1999 (the "**Issuers' Regulation**") and in compliance with Annex 3A to the Issuers' Regulation.

The Board of Directors of the Company, during the meeting held on November 12, 2024 approved this Report, which was then made available to the public in accordance with the terms and procedures set out by law and regulations; the Report was therefore filed at the registered office in Pero (MI), via XXV Aprile, no. 5, and published on the Company's website, at the address "www.filagroup.it" Governance - Corporate documents - Meetings" section, as well as at the authorised storage mechanism "eMarketStorage", at the address "www.emarketstorage.com".

1 AMENDMENTS TO ARTICLES 9 AND 10 OF THE BY-LAWS

1.1 RATIONALE AND EXPLANATION OF PROPOSED CHANGES

The Board of Directors is proposing to amend Articles 9 and 10 of the By-Laws, concerning (i) the calling of Shareholders' Meetings; and (ii) the manner in which persons are entitled to attend and exercise their voting rights at Shareholders' Meetings, in order to incorporate the regulatory innovations introduced by the Capital Law. The aforementioned legislative measure, through the introduction of the new Article 135-*undecies.1* of the CFA, allows companies with shares listed on a regulated market to provide in their By-Laws that attendance at Shareholders' Meetings and the exercise of voting rights may take place exclusively through the company's appointed representative (the "**Appointed Representative**"), to whom proxies or sub-delegates may also be conferred pursuant to Article 135-*novies* of the CFA.

In light of the experience gained in recent years, the Board of Directors considers that participation at Shareholders' Meetings through the exclusive use of the Appointed Representative allows for the orderly and efficient management of the meetings, while, at the same time, making it easy for those entitled to vote to exercise their voting rights, without this manner of conducting the meetings compromising the participation and voting rights of shareholders as recognised by law.

In light of the foregoing, the Board of Directors therefore deems it appropriate to avail itself of the aforementioned power by introducing into the By-Laws the possibility for the Company to make exclusive use of the Appointed Representative as an alternative way of participating and expressing votes at the Shareholders' Meetings, and, consequently, intends to formulate the following proposal to amend Articles 9 and 10 of the By-Laws for submission to the Company's Shareholders' Meeting, **introducing a new Article 10.5 and aligning the provisions set forth in Articles 9.2 and 10.7 regarding the convening of and participation in the meeting exclusively via remote means with the new provision concerning the Designated Representative.**

1.2 COMPARISON TABLE OF BY-LAWS CLAUSES

The following is a comparison between the current text of Articles 9 and 10 of the By-Laws and the text that would result from the adoption of the proposed amendments, highlighting in bold the newly inserted words.

Existing Text	Proposed text
Article 9 – Meeting Call	
9.1 The ordinary Shareholders' Meeting for approval of the annual accounts must be called by the board of directors at least once a year, within one hundred and twenty days after the end of the financial year or, in the cases provided for by Art. 2364, paragraph 2 of the Civil Code, within one hundred and eighty days after the end of the financial year, subject to the provisions of Art. 154- <i>ter</i> of Legislative Decree No. 58/1998.	[unchanged]
9.2. The Shareholders' Meeting may be called in Italy, even outside the municipality in which the registered office is located, or in other countries of the European Union or in Switzerland.	9.2. The Shareholders' Meeting may be called in Italy, including outside the municipality of the company's registered office, or in another European Union country or Switzerland, or entirely remotely, in the manner set out at point 10.7 below, as shall

	be indicated in the call notice.
9.3 The Shareholders' Meeting shall be called by publishing a notice on the Company website, in addition to the other manners established by applicable law, and shall contain the information required by applicable law, also by reason of the subjects covered.	[unchanged]

Existing Text	Proposed text
Article 10 - Attendance and voting	
10.1 Those with voting rights have a right to attend the Shareholders' Meeting.	[unchanged]
10.2. The right to attend the Shareholders' Meeting and the right to vote is verified by a notice to the Company, effected by the authorised intermediary in accordance with law, based on the accounting records at the end of the seventh trading day prior to the date fixed for the Shareholders' Meeting in single call, and submitted to the Company in accordance with law.	[unchanged]
10.3 Those who have the right to vote in the Shareholders' Meeting can be represented by a proxy in accordance with law. Electronic notification of proxy may be made, in the manner indicated in the call notice, by sending a message addressed to the certified email address indicated in the notice itself or by using the appropriate section of the Company's website.	[unchanged]
10.4 For each Shareholders' Meeting, the Company may designate, through notification in the call notice, a person to whom shareholders can confer proxy, with voting instructions on all or some of the proposals on the Agenda, in the terms and manner provided by law.	10.4 For each Shareholders' Meeting, the Company may designate, through notification in the call notice, a person to whom shareholders can confer proxy, with voting instructions on all or some of the proposals on the Agenda (the "Appointed Representative"), in the terms and manner provided by law.
	10.5 Where provided for and/or permitted by the law and/or the <i>pro tempore</i> regulatory provisions in force, the Company may establish that attendance and exercise of voting rights at the Shareholders' Meeting by those entitled to do so may also take place exclusively by granting proxy (or sub-delegation) of voting rights to the Company's Appointed Representative pursuant to Article 135-undecies Legislative Decree No. 58/1998, in the manner provided for by the same laws and regulatory provisions.

<p>10.6 The Shareholders' Meeting shall be chaired by the Chairperson of the Board of Directors, or in such absence or impediment or at the request of the Chairperson himself/herself, by another person elected by the Shareholders' Meeting, including the Chief Executive Officer (if elected). The Chairperson shall be assisted by a Secretary elected on his proposal by majority of those present. In the Extraordinary Shareholders' Meeting and, in any case, when the Chairperson considers it appropriate, the functions of the Secretary shall be carried out by a Notary appointed by the Chairperson.</p>	<p>[unchanged]</p>
<p>10.7 The Shareholders' Meeting, where permitted by the applicable regulation, may be held, including exclusively, in several locations, via audio/video link, on the condition that a collegial approach is taken and the principles of good faith and of equal treatment of shareholders are upheld and, in particular, on the condition that:</p> <ul style="list-style-type: none"> (a) the Chairperson of the Shareholders' Meeting may declare, also through specially appointed officers, the identity and right to attend of those present, govern the proceedings of the meeting, and ascertain and announce the results of the vote; (b) the minutes-taker is able to adequately note all the matters pertaining to the Shareholders' Meeting; (c) attendees may participate in the discussions and vote simultaneously on the matters on the Agenda; (d) the use of this option is stated in the meeting call notice. The meeting shall be deemed to be held at the place indicated in the call notice, where the person taking the minutes shall be located. It is understood that the Chairperson and the person taking the minutes may be in different locations. 	<p>10.7 The Shareholders' Meeting, whether an ordinary or extraordinary meeting, including in those cases in which the Company provides that attendance and the exercise of the voting rights of entitled persons shall take place exclusively through the Appointed Representative in accordance with point 10.5 above, may be held, where permitted by the applicable regulations and where the Board of Directors deems it appropriate, including exclusively, remotely, in several locations, via audio/video link, on the condition that a collegial approach is taken and the principles of good faith and of equal treatment of shareholders are upheld and, in particular, on the condition that:</p> <ul style="list-style-type: none"> (a) the Chairperson of the Shareholders' Meeting may declare, also through specially appointed officers, the identity and right to attend of those present, govern the proceedings of the meeting, and ascertain and announce the results of the vote; (b) the minutes-taker is able to adequately note all the matters pertaining to the Shareholders' Meeting; (c) attendees may participate in the discussions and vote simultaneously on the matters on the Agenda; (d) the use of this option of connection to the meeting are provided for by the Shareholders' Meeting call notice, without prejudice to the Board of Directors' right to also provide the technical specifications at subsequent times before the meeting. The meeting shall be deemed to be held at the place indicated in the call notice, where the person taking the minutes shall be located. It is understood that the Chairperson and the person taking the minutes may be in different locations.

2 AMENDMENT OF ARTICLE 16 OF THE BY-LAWS

2.1 RATIONALE AND EXPLANATION OF PROPOSED CHANGES

The Board of Directors proposes to amend Article 16 of the By-Laws concerning the appointment of the Executive Officer for Financial Reporting (the "**Executive Officer**") in order to incorporate the regulatory innovations introduced by the Sustainability Decree.

In particular, the aforementioned Legislative Decree has, *inter alia*, introduced a new paragraph 5-ter to Article 154-bis of the CFA, whereby the Executive is also required to certify that the sustainability reporting is prepared in accordance with the applicable reporting standards pursuant to Directive 2013/34/EU and the Sustainability Decree, as well as with the

specifications set out in Article 8, paragraph 4 of Regulation (EU) 2020/852.

For these purposes, the aforementioned paragraph *5-ter* allows issuers to provide that such a declaration may be made by an executive other than the Executive Officer, with specific expertise in sustainability reporting (the "**Sustainability Executive**"). However, in order for issuers to avail of this option, it is necessary that the role of the Sustainability Executive be provided for in the By-Laws, which will also be required to set out the relative professionalism requirements, as is already provided for with reference to the Executive Officer.

In this regard, the Board of Directors, in order to be able to benefit from greater flexibility in the identification of the executive called upon to issue sustainability declarations, deems it appropriate to proceed with the aforementioned amendment to the by-laws, thereby introducing the power to grant the declaration powers on sustainability reporting to the Sustainability Executive, outlining the related requirements (as better specified in the comparison table below), it being understood that, in the absence of the Board of Directors exercising this power, this declaration will be issued by the Executive Officer, in accordance with the provisions of the applicable regulations.

2.2 COMPARISON TABLE OF BY-LAWS CLAUSES

The following is a comparison between the current text of Article 16 of the By-Laws and the text that would result from the adoption of the proposed amendment. The words that would be newly inserted are in bold.

Existing Text	Proposed text
Article 16	
Article 16 – Appointment of an Executive Officer for Financial Reporting	Article 16 – Appointment of an Executive Officer for Financial Reporting for the preparation of the financial statements and of an executive for sustainability reporting
16.1. The Board of Directors, after prior mandatory consultation with the Board of Statutory Auditors, shall appoint an Executive Officer responsible for the preparation of the financial statements, in accordance with Article 154-bis of Legislative Decree No. 58/1998, granting them adequate means and powers for the accomplishment of the tasks assigned.	16.1. The Board of Directors, after prior mandatory consultation with the Board of Statutory Auditors, shall appoint an Executive Officer responsible for the preparation of the financial statements, in accordance with Article 154-bis of Legislative Decree No. 58/1998, granting them adequate means and powers for the accomplishment of the tasks assigned by that provision, including those relating to sustainability reporting, as well as those provided for in the <i>pro tempore</i> regulations, including the implementing regulations.
16.2. The Executive Officer for Financial Reporting must be in possession of the professional requisites i.e. a qualified experience of at least three years in the performance of administration and control, or in the performance of executive or consulting functions within listed companies and/or in related groups of companies, or companies, entities and organisations of significant size and importance, even in relation to preparation and control of accounting and corporate documents. The Executive Officer for Financial Reporting must also meet the requirements of good standing as provided for Statutory Auditors by the applicable legal provision.	[unchanged]

	<p>16.3. This is without prejudice to the right of the Board of Directors to assign the powers and responsibilities set out in paragraph 5-ter of Article 154-bis of Legislative Decree No. 58 of February 24, 1998, and in the <i>pro tempore</i> regulations, including the implementing legislation, applicable in the field of sustainability reporting to an executive other than the Executive Officer for Financial Reporting, who has adequate experience and specific skills in the field of sustainability reporting and who meets the good standing requirements established for Statutory Auditors by the applicable legal provisions.</p>
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3 CONSIDERATIONS IN TERMS OF THE RIGHT OF WITHDRAWAL

The amendments to Articles 9, 10 and 16 of the By-Laws proposed by the Board of Directors, do not give rise to the right of withdrawal of shareholders who did not take part in the resolution, since none of the cases provided for in Article 2437 of the Civil Code or in other current and applicable legal or regulatory provisions or By-Laws apply.

4 MOTION PROPOSAL TO THE SHAREHOLDERS' MEETING IN EXTRAORDINARY SESSION

Considering the above, the Board of Directors submits for your approval the following motion:

“The Shareholders’ Meeting of F.I.L.A. - Fabbrica Italiana Lapis ed Affini S.p.A. (“Fila”), in extraordinary session, having reviewed the Board of Directors’ Illustrative Report drawn up in accordance with Article 125-ter of Legislative Decree No. 58 of February 24, 1998 and Articles 72 paragraph 1-bis and 84-ter of the Regulation adopted with Consob Motion No. 11971 of May 14, 1999 and in compliance with Annex 3A to the same Consob regulation, published as per law;

resolves

1. *to approve the amendments to Articles 9, 10 and 16 of the By-Laws, as proposed by the Board of Directors;*
2. *to grant the Board of Directors and on its behalf to the Chairperson and the Chief Executive Officer, severally and jointly, with the right to sub-delegate and to avail itself in full or in part of special attorneys, all powers necessary to (a) take all steps necessary to execute the aforementioned resolution; (b) to comply with all consequent legislative and regulatory requirements, including but not limited to the formalities required for its registration in the Register of Companies pursuant to Article 2436 of the Civil Code; and (c) make all non-substantial amendments, additions and/or deletions to the same resolution and to the By-Laws that may be required by the competent authorities or by the Notary, or otherwise deemed useful or appropriate.*

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Pero, November 12, 2024

For the Board of Directors

The Chairperson

(Giovanni Gorno Tempini)